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DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-198082

DATE: July 3, 1980

MATTER OF: Custom Marine, Inc. DL604894

[Protest of Navy Contract Award]
DIGEST:

1. Contracting officer's cancellation of IFB for price unreasonableness and resolicitation for increased quantity of same item was proper where (1) price of only bid received in response to original IFB was much higher than Government estimate and (2) based on procurement history, price was unreasonable. Further, prices received on recompetition have no bearing on propriety of earlier proper cancellation since contracting officer had no way of knowing what prices would result from second solicitation.
2. Contentions--that (1) low bidder's price resulted from agency's publication of protester's price in response to earlier canceled IFB, and (2) agency encouraged other firm's to bid on recompetition--are without merit because while record does not support protester's contentions, even if they were true, such action is not improper.

Custom Marine, Inc. (Custom), protests the award of a contract to Western Filter Co., Inc. (Western), DL604895 under invitation for bids (IFB) No. N00104-80-B-0234 issued by the Navy for 124 ball and seat assemblies.

Custom contends that it was prejudiced by the Navy's publication of Custom's bid for the same assemblies on a prior solicitation, IFB No. N00104-79-B-0662, which was canceled on the basis of price unreasonableness. The protester asserts that the Navy improperly used its earlier bid to sample the industry and encourage other manufacturing sources to participate in the instant procurement. Finally, Custom contends that Western's unit price and Custom's unit price on

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the prior solicitation show that Custom's unit price was not unreasonable.

These contentions are without merit and, therefore, there is no basis to disturb the award.

On May 24, 1979, the Navy initially solicited bids for 85 ball and seat assemblies. Only Custom's bid was received at a unit price of \$1,735. Based on the past procurements of this item and the Government estimate of \$1,099.41, the Navy deemed Custom's price to be unreasonable and canceled the solicitation on July 25, 1979. Custom was advised of the cancellation in writing. Further, the Navy reports that around August or September 1979, Custom's representative was advised of the reasons for cancellation and Custom was informed that the requirement would be readvertised. Custom did not object.

On January 11, 1980, the instant solicitation was issued for the increased quantity. Three bids were opened on February 11, 1980, and the low bid was from Western at a unit price of \$1,711. Custom submitted the second low bid at \$1,835. On March 20, 1980, the Navy awarded the contract to Western.

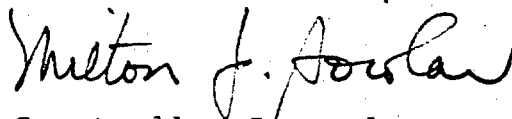
First, Custom contends that Western's unit price resulted from the Navy's publication of Custom's pricing on the initial solicitation. Further, Custom asserts that the Navy used Custom's original bid to sample the industry and encourage others to bid. We find no direct evidence in the record to support Custom's contention. Further, we have held that the Government's publication of an initial, unacceptable bid is not improper. E.g., 36 Comp. Gen. 364 (1956); PM Contractors, Inc., B-192495, January 8, 1979, 79-1 CPD 8. Therefore, even if the Navy published Custom's first bid and that encouraged others to bid, such action is not improper and cancellation of the contract is not warranted.

Second, Custom contends that the closeness between Western's price and Custom's original price proves that Custom's original price was reasonable. In similar situations, we have found this argument to be unpersuasive since after rejection of an original bid and resolicitation, the original bid is no longer material

or effective for any purpose. 36 Comp. Gen. 364, supra; C. J. Coakley Company, Inc., B-181057, July 23, 1974, 74-2 CPD 51. The results of the resolicitation, therefore, have no bearing on the propriety of the cancellation of the initial solicitation. See Nordam, Division of R. H. Siegfried, Inc., B-189996, August 17, 1978, 78-2 CPD 126; PM Contractors, Inc., supra.

In sum, we believe that the July 1979 cancellation determination was reasonably based because of the item's procurement history and current Government estimate and it does not appear that the contracting officer had any reason to question the Government estimate. Further, there was no way that the contracting officer could have known then that a resolicitation would result in a similar price. Consequently, the prices resulting from the resolicitation are not relevant to the prior, reasonably based determination and this aspect of Custom's protest is without merit.

Protest denied.



Acting Comptroller General
of the United States